

RE

02-20-2001

ER SHEET

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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

To the Honorable Commission of 101617231, the attached original documents or copy thereof.

1. Name of conveying party(ies): 10-17-2001

GREEN HILLS SOFTWARE, INC.**30 West Sola Street****Santa Barbara, CA 93101**

- ☐ Individuals(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☒ Corporation-State **Delaware**
☐ Other _____

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☒ **Security Agreement** ☐ Change of Name
☐ Other _____

Execution Date: **October 31, 2000**

2. Name and address of receiving party(ies)

Name: **IMPERIAL BANK, as Agent**

Internal Address:

Street Address: **695 Town Center Drive**City: **Costa Mesa** State: **California** ZIP: **92626**

- ☐ Individual(s) citizenship _____
☐ Association _____
☐ General Partnership _____
☐ Limited Partnership _____

☒ Corporation-State **California Banking**☐ Other _____If assignee is not domiciled in the United States, a domestic representative designation is attached: ☐ Yes ☐ No(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? ☐ Yes ☐ No

4. Application number(s) or patent number(s):

A. Trademark Application No.(s)

Design (Serial #78-001,452)**Integrity (Serial #75-870,150)****Code Balance (Serial #75-702,600)****Green Hills (Serial #75-446,049)**

B. Trademark Registration No.(s)

Green Hills (Reg. #2,327,510)**Multi (Reg. #1,828,138)****C-68000 (Reg. #1,822,494)**Additional numbers attached? ☐ Yes ☒ No

5. Name and address of party to whom correspondence concerning document should be mailed:

Mr. Sigi HinojosaName: **Buchalter, Nemer, Fields & Younger**

Internal Address: _____

Street Address: **601 South Figueroa Street, 24th Floor**City: **Los Angeles** State: **California** ZIP: **90017**6. Total number of applications and registrations involved: 77. Total fee (37 CFR 3.41) \$ **190⁰⁰**☐ Enclosed☒ Authorized to be charged to _____

8. Deposit account number:

10-17-2000

U.S. Patent & TMO/TM Mail Rpt. Dt. #40

20-0052

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

MR. SIGI HINOJOSA

Name of Person Signing

Christine E. Wilson

Signature

*Christine E. Wilson***October 13, 2000**
DateTotal number of pages including cover sheet, attachments, and document: 1

PATENT AND TRADEMARK SECURITY AGREEMENT

THIS PATENT AND TRADEMARK SECURITY AGREEMENT (as may be amended from time to time, this "Agreement"), dated as of October 13, 2000, is entered into between GREEN HILLS SOFTWARE, INC., a Delaware corporation ("Debtor"), and IMPERIAL BANK, a California banking corporation ("Secured Party"), as Agent for the ratable benefit of the Lenders (as defined in the Loan Agreement), with reference to the following facts:

RECITALS

A. Borrower, Lenders, and Secured Party, as Agent, are contemporaneously herewith entering into the Loan Agreement, pursuant to which Lenders will be extending certain financial accommodations to Borrower.

B. In order to further induce Lenders to enter into the Loan Agreement and in consideration thereof, Debtor has agreed to execute and deliver to Secured Party this Agreement, securing the payment of performance of the Obligations of Borrower under the Loan Agreement.

NOW THEREFORE, in consideration of the mutual promises, covenants, conditions, representations, and warranties hereinafter set forth and for other good and valuable consideration, the parties hereto mutually agree as follows:

AGREEMENT

1. Definitions and Construction.

(a) Definitions. All initially capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Loan Agreement. In addition, the following terms, as used in this Agreement, have the following meanings:

"Bankruptcy Code" means The Bankruptcy Reform Act of 1978 (Pub. L. No. 95-598; 11 U.S.C.), as amended or supplemented from time to time, or any successor statute, and any and all rules and regulations issued or promulgated in connection therewith.

"Code" means the California Uniform Commercial Code, as amended and supplemented from time to time, and any successor statute.

"Collateral" means:

(i) All of Debtor's right, title and interest in and to each of the trademarks and rights and interests which are capable of being protected as trademarks (including trademarks, service marks, designs, logos, indicia, tradenames, corporate names, company names, business names, fictitious business names, trade styles, and other source or business identifiers and applications pertaining thereto), which are presently, or in the future may be, owned, created, acquired, or used (whether pursuant to a license or otherwise) by Debtor, in

whole or in part, and all trademark rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), and rights to renew and extend such trademarks and trademark rights;

(ii) All of Debtor's right, title and interest in and to each of the patents and patent applications which are presently, or in the future may be, owned, issued, acquired, or used (whether pursuant to a license or otherwise) by Debtor, in whole or in part, and all patent rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), foreign filing rights, and rights to extend such patents and patent rights;

(iii) All of Debtor's right, title, and interest, in and to the patents and patent applications listed on Schedule A, attached hereto, as the same may be updated hereafter from time to time;

(iv) All of Debtor's right, title, and interest, in and to the trademarks and trademark registrations listed on Schedule B, attached hereto, as the same may be updated hereafter from time to time;

(v) All of Debtor's right, title and interest, in all patentable inventions, and to file applications for patents under federal patent law or regulation of any foreign country, and to request re-examination and/or re-issue of the patents, the right (without obligation) to sue or bring interference proceedings in the name of Debtor or in the name of Secured Party for past, present, and future infringements of the patents, and all rights (but not obligations) corresponding thereto in the United States and any foreign country;

(vi) All of Debtor's right, title and interest to register trademark claims under any state or federal trademark law or regulation of any foreign country and to apply for, renew, and extend the trademark registrations and trademark rights, the right (without obligation) to sue or bring opposition or cancellation proceedings in the name of Debtor or in the name of Secured Party for past, present, and future infringements of the trademarks, registrations, or trademark rights and all rights (but not obligations) corresponding thereto in the United States and any foreign country, and the associated goodwill;

(vii) All general intangibles relating to the foregoing; and

(viii) All proceeds of any and all of the foregoing (including, without limitation, license royalties and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance, or any indemnity, warranty, or guaranty payable by reason of loss or damage to or otherwise with respect to the Collateral.

"Event of Default" shall have the meaning set forth in Section 11 herein.

"Loan Agreement" means that certain Revolving Credit and Term Loan Agreement by and among Debtor, Lenders and Secured Party, as Agent, dated as of even date herewith, together with any concurrent or subsequent exhibits or schedules, thereto, and any

extensions, supplements, amendments or modifications to such Revolving Credit and Term Loan Agreement or to such exhibits or schedules.

"Debtor" shall have the meaning set forth in the introduction hereto.

"Secured Party" shall have the meaning set forth in the introduction hereto.

(b) Construction. Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, and the term "including" is not limiting. The words "hereof," "herein," "hereby," "hereunder," and other similar terms refer to this Agreement as a whole and not to any particular provision of this Agreement. Any initially capitalized terms used but not defined herein shall have the meaning set forth in the Loan Agreement. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against Secured Party or Debtor, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by Debtor, Secured Party, and their respective counsel, and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of Secured Party and Debtor.

2. Grant of Security Interest. Debtor hereby grants to Secured Party, as Agent for the ratable benefit of the Lenders, a first-priority security interest in all of Debtor's right, title, and interest in and to the Collateral to secure the Obligations.

3. Further Assurances.

(a) Debtor agrees that from time to time, at the expense of Debtor, Debtor will, subject to any prior licenses, encumbrances and restrictions and prospective licenses, encumbrances and restrictions permitted hereunder, promptly make, execute, acknowledge and deliver, and file and record in the proper filing and recording places (but with respect to foreign patents and trademarks, Debtor shall solely be required to use its best efforts, consistent with reasonable business judgment, to do the same), all instruments and documents, and take all further action, that may be necessary or desirable, or that Secured Party may reasonably request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, Debtor will: (i) execute and file such financing or continuation statements, or amendments thereto, and such other instrument or notices, as may be necessary or desirable, or as Secured Party may reasonably request, in order to perfect and preserve the security interests granted or purported to be granted hereby; (ii) at any reasonable time during normal business hours, upon demand by Secured Party, allow inspection of the Collateral by Secured Party, or persons designated by Secured Party; and (iii) appear in and defend any action or proceeding that may affect Debtor's title to or Secured Party's security interest in the Collateral.

(b) Debtor will furnish to Secured Party from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as Secured Party may reasonably request.

4. Representations, Warranties and Covenants. Debtor hereby represents, warrants, and covenants that:

(a) a true and complete schedule setting forth all patent and patent applications owned or controlled by Debtor or licensed to Debtor, together with a summary description and full information in respect of the filing or issuance thereof and expiration dates is set forth on Schedule A;

(b) a true and complete schedule setting forth all federal and state trademark registrations owned or controlled by Debtor or licensed to Debtor, together with a summary description and full information in respect of the filing or issuance thereof and expiration dates is set forth on Schedule B;

(c) to the best of Debtor's knowledge, each of the patents, trademarks, and trademark registrations is valid and enforceable, and Debtor is not presently aware of any past, present, or prospective claim by any third party that any of the patents or trademarks are invalid or unenforceable, or that the use of any of the patents or trademarks violates the rights of any third person, or of any basis for any such claims;

(d) Debtor is the sole and exclusive owner of the entire and unencumbered right, title, and interest in and to each of the patents, patent applications, trademarks, and trademark registrations, free and clear of any liens, charges, and encumbrances, including pledges, assignments, licenses, shop rights, and covenants by Debtor not to sue third persons;

(e) Debtor will use proper statutory notice in connection with its use of each of the patents and trademarks, except where the failure to do so would not have a Material Adverse effect;

(f) Debtor has used and will continue to use consistent standards of high quality (consistent with Debtor's past practices) in the manufacture, sale, and delivery of products and services sold or delivered under or in connection with the patents and trademarks, including, to the extent applicable, in the operation and maintenance of its merchandising operations, and will continue to maintain the validity of the patents and trademarks; and

(g) except for the filing of a financing statement with the Secretary of State of California and filings with the United States Patent and Trademark Office necessary to perfect the security interests created hereunder, no authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either for the grant by Debtor of the security interest hereunder or for the execution, delivery, or performance of this Agreement by Debtor or for the perfection of or the exercise by Secured Party of its rights hereunder to the Collateral in the United States.

5. After-Acquired Patent or Trademark Rights.

(a) If Debtor shall obtain rights to any new patentable inventions or become entitled to the benefit of any patent application or patent for any reissue, divisional, or continuation, of any patent, the provisions of this Agreement shall automatically apply thereto. Debtor shall give notice in writing to Secured Party within ten (10) Business Days after obtaining such rights with respect to any such new patents, and shall promptly deliver to Secured Party an amended Schedule A. Debtor shall bear any expenses incurred in connection with any future patent applications.

(b) If Debtor shall obtain rights to any new trademarks, the provisions of this Agreement shall automatically apply thereto. Debtor shall give notice in writing to Secured Party within ten (10) Business Days after obtaining such rights with respect to any such new trademarks or renewal or extension of any trademark registration, and shall promptly deliver to Secured Party an amended Schedule B. Debtor shall bear any expenses incurred in connection with future applications for trademark registration.

6. Indemnification. Debtor hereby agrees to indemnify and hold harmless Secured Party and Lenders from any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including attorneys' fees and attorneys' fees incurred pursuant to the Bankruptcy Code) of any kind whatsoever that may be imposed on, incurred by or asserted against Secured Party or any Lender in connection with, or in any way arising out of, any such suits, proceedings or other action concerning, or the defense of, any such suits, proceedings or other actions, whether that claim is made by Debtor or any other person, and for any damages and lost profits that may be awarded as a consequence of any such suits, proceedings or other actions, in which, with respect to all of the above, an allegation of the liability, strict or otherwise, of Debtor is or may be made by any person who alleges or may allege having suffered damages as a consequence of alleged improper, imprudent, reckless, negligent, willful, faulty, defective or substandard design, testing, specification, manufacturing supervision, manufacturing defect, manufacturing deficiency, publicity or advertisement, or improper use, howsoever arising or by whomsoever caused, or an inventions disclosed and claimed in the patents.

7. Litigation and Proceedings. Debtor shall commence and diligently prosecute in its own name, as the real party in interest, for its own benefit, and its own expense, such suits administrative proceedings, or other action for infringement or other damages as are in its reasonable business judgment necessary to protect the Collateral. Debtor shall provide to Secured Party any information with respect thereto reasonably requested by Secured Party. Secured Party shall provide at Debtor's expense all necessary cooperation in connection with any such suits, proceedings, or action, including, without limitation, joining as a necessary party. Following Debtor's becoming aware thereof, Debtor shall notify Secured Party of the institution of, or any adverse determination in, any proceeding in the United States Patent and Trademark Office, or any United States, state, or foreign court regarding Debtor's claim of ownership in any of the patents or trademarks, its right to apply for the same, or its right to keep and maintain such patent or trademark rights.

8. Power of Attorney. Debtor irrevocably grants Secured Party power of attorney, coupled with an interest, having the full authority, and in the place of Debtor and in the name of Debtor, from time to time following an Event of Default in Secured Party's discretion, to take any action and to execute any instrument which Secured Party may deem necessary or advisable to accomplish the purposes of this agreement, including, without limitation, as may be subject to the provisions of this Agreement:

(a) to endorse Debtor's name on all applications, documents, papers, and instruments necessary for Secured Party to use or maintain the Collateral;

(b) to ask, demand, collect, sue for, recover, impound, receive, and give acquittance and receipts for money due or to become due under or in respect of any of the Collateral;

(c) to file any claims or take any action or institute any proceedings that Secured Party may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce Secured Party's rights with respect to any of the Collateral and to assign, pledge, convey, or otherwise transfer title in or dispose of the Collateral to any person; and

(d) to file any such application, instrument or document as may be required by the United States Patent and Trademark Office in order to transfer the Collateral into the name of the Secured Party or Secured Party's nominee.

9. Right to Inspect. Debtor grants to Secured Party and its employees and agents the right to visit Debtor's plants and facilities which manufacture, inspect, or store products sold under any of the patents or trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business.

10. Appraisals. Upon the reasonable request of Secured Party, Debtor shall deliver to Secured Party an appraisal, issued by an appraiser of Secured Party's choice, of the domestic and international patents, patent applications, trademarks and trademark registrations and applications for all of the above. Debtor shall disclose to the appraiser all information concerning such items as reasonably requested by the appraiser and all other information known to Debtor that would have an effect on the value of any such items, provided that such appraiser has executed a Confidentiality Agreement with respect to such items substantially in the form of Section 11.6 of the Loan Agreement.

11. Events of Default. The occurrence of an Event of Default under the Loan Agreement shall constitute an event of default ("Event of Default") under this Agreement.

12. Specific Remedies. Upon the occurrence of any Event of Default, Secured Party shall have, in addition to, other rights given by law or in this Agreement, the Loan Agreement, or in any other agreement or document entered into in connection herewith or therewith, all of the rights and remedies with respect to the Collateral of a secured party under the Code, including the following:

(a) Secured Party may notify Borrower or other licensees of the Collateral to make royalty payments on such license agreements directly to Secured Party;

(b) Secured Party may sell or assign the Collateral and associated goodwill at public or private sale for such amounts, and at such time or times as Secured Party deems advisable. Debtor shall file any such application, instrument or document as may be required by the United States Patent and Trademark Office in order to transfer the Collateral into the name of the Secured Party or Secured Party's nominee. Any requirement of reasonable notice of any disposition of the Collateral shall be satisfied if such notice is sent to Debtor ten (10) days prior to such disposition. Debtor shall be credited with the net proceeds of such sale only when they are actually received by Secured Party, and Debtor shall continue to be liable for any deficiency remaining after the Collateral is sold or collected. If the sale is to be a public sale, Secured Party shall also give notice of the time and place by publishing a notice one time at least ten (10) days before the date of the sale in a newspaper of general circulation in the county in which the sale is to be held; and

(c) Secured Party may be the purchaser of any or all of the Collateral and associated goodwill at any public sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any public sale, to use and apply all or any part of the Obligations as a credit on account of the purchase price of any collateral payable by Secured Party at such sale.

13. General Provisions.

13.1 Effectiveness of This Agreement. This Agreement shall be binding and deemed effective when executed by Debtor and accepted and executed by Secured Party.

13.2 Cumulative Remedies; No Prior Recourse to Collateral. The enumeration herein of Secured Party's rights and remedies is not intended to be exclusive, and such rights and remedies are in addition to and not by way of limitation of any other rights or remedies that the Secured Party may have under the Code or other applicable law. Secured Party shall have the right, in its sole discretion, to determine which rights and remedies are to be exercised and in which order. The exercise of one right or remedy shall not preclude the exercise of any others, all of which shall be cumulative.

13.3 No Implied Waivers. No act, failure, or delay by Secured Party shall constitute a waiver of any of its rights and remedies. No single or partial waiver by Secured Party of any provision of this Agreement or the Loan Agreement, or of a breach or default hereunder or thereunder, or of any right or remedy which the Secured Party may have, shall operate as a waiver of any other provision, breach, default, right, or remedy or of the same provision, breach, default, right, or remedy on a future occasion. No waiver by Secured Party shall affect its rights to require strict performance of this Agreement.

13.4 Severability. If any provision of this Agreement shall be prohibited or invalid, under applicable law, it shall be effective only to such extent, without invalidating the remainder of this Agreement.

13.5 Governing Law. This Agreement shall be deemed to have been made in the State of California and shall be governed by and interpreted in accordance with the

laws of such state, except that no doctrine of choice of law shall be used to apply the laws of any other state or jurisdiction.

13.6 Judicial Reference.

(i) Other than (i) nonjudicial foreclosure and all matters in connection therewith regarding security interests in real or personal property; or (ii) the appointment of a receiver, or the exercise of other provisional remedies (any and all of which may be initiated pursuant to applicable law), each controversy, dispute or claim between the parties arising out of or relating to this Agreement, which controversy, dispute or claim is not settled in writing within thirty (30) days after the "Claim Date" (defined as the date on which a party subject to this Agreement gives written notice to all other parties that a controversy, dispute or claim exists), will be settled by a reference proceeding in California in accordance with the provisions of Section 638 et seq. of the California Code of Civil Procedure, or their successor section ("CCP"), which shall constitute the exclusive remedy for the settlement of any controversy, dispute or claim concerning this Agreement, including whether such controversy, dispute or claim is subject to the reference proceeding and except as set forth above, the parties waive their rights to initiate any legal proceedings against each other in any court or jurisdiction other than the Superior Court in the County where any real property collateral, if any, is located or Los Angeles County, if none (the "Court"). The referee shall be a retired Judge of the Court selected by mutual agreement of the parties, and if they cannot so agree within forty-five (45) days after the Claim Date, the referee shall be promptly selected by the Presiding Judge of the Court (or his representative). The referee shall be appointed to sit as a temporary judge, with all of the powers for a temporary judge, as authorized by law, and upon selection shall take and subscribe to the oath of office as provided for in Rule 244 of the California Rules of Court (or any subsequently enacted Rule). Each party shall have one peremptory challenge pursuant to CCP § 170.6. The referee shall (a) be requested to set the matter for hearing within sixty (60) days after the date of selection of the referee and (b) try any and all issues of law or fact and report a statement of decision upon them, if possible, within ninety (90) days of the Claim Date. Any decision rendered by the referee will be final, binding and conclusive and judgment shall be entered pursuant to CCP § 644 in any court in the State of California having jurisdiction. Any party may apply for a reference proceeding at any time after thirty (30) days following notice to any other party of the nature of the controversy, dispute or claim, by filing a petition for a hearing and/or trial. All discovery permitted by this Agreement shall be completed no later than fifteen (15) days before the first hearing date established by the referee. The referee may extend such period in the event of a party's refusal to provide requested discovery for any reason whatsoever, including, without limitation, legal objections raised to such discovery or unavailability of a witness due to absence or illness. No party shall be entitled to "priority" in conducting discovery. Depositions may be taken by either party upon seven (7) days written notice, and request for production or inspection of documents shall be responded to within ten (10) days after service. All disputes relating to discovery which cannot be resolved by the parties shall be submitted to the referee whose decision shall be final and binding upon the parties. Pending appointment of the referee as provided herein, the Superior Court is empowered to issue temporary and/or provisional remedies, as appropriate.

(ii) Except as expressly set forth in this Agreement, the referee shall determine the manner in which the reference proceeding is conducted including the time

and place of all hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the reference proceeding. All proceedings and hearings conducted before the referee, except for trial, shall be conducted without a court reporter except that when any party so requests, a court reporter will be used at any hearing conducted before the referee. The party making such a request shall have the obligation to arrange for and pay for the court reporter. The costs of the court reporter at the trial shall be borne equally by the parties.

(iii) The referee shall be required to determine all issues in accordance with existing case law and the statutory laws of the State of California. The rules of evidence applicable to proceedings at law in the State of California will be applicable to the reference proceeding. The referee shall be empowered to enter equitable as well as legal relief, to provide all temporary and/or provisional remedies and to enter equitable orders that will be binding upon the parties. The referee shall issue a single judgment at the close of the reference proceeding which shall dispose of all of the claims of the parties that are the subject of the reference. The parties hereto expressly reserve the right to contest or appeal from the final judgment or any appealable order or appealable judgment entered by the referee. The parties hereto expressly reserve the right to request findings of fact, conclusions of laws, a written statement of decision, and the right to move for a new trial or a different judgment, which new trial, if granted, is also to be a reference proceeding under this provision.

(iv) In the event that the enabling legislation which provides for appointment of a referee is repealed (and no successor statute is enacted), any dispute between the parties that would otherwise be determined by the reference procedure herein described will be resolved and determined by arbitration. The arbitration will be conducted by a retired judge of the Court, in accordance with the California Arbitration Act, § 1280 through § 1294.2 of the CCP as amended from time to time. The limitations with respect to discovery as set forth hereinabove shall apply to any such arbitration proceeding.

13.7 Survival of Representations and Warranties. All of Debtor's representations and warranties contained in this Agreement shall survive the execution, delivery, and acceptance thereof by the parties, notwithstanding any investigation by Secured Party or its agents.

13.8 Fees and Expenses. Debtor shall pay to Secured Party on demand all costs and expenses that the Secured Party pays or incurs in connection with the negotiation, preparation, consummation, administration, enforcement, and termination of this Agreement, including: (a) reasonable attorneys' and paralegals' fees and disbursements of counsel to Secured Party; (b) costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements) for any amendment, supplement, waiver, consent, or subsequent closing in connection with this Agreement and the transactions contemplated hereby; (c) costs and expenses of lien and title searches; (d) taxes, fees, and other charges for filing this Agreement at the United States Patent and Trademark Office, or for filing financing statements, and continuations, and other actions to perfect, protect, and continue the security interest created hereunder; (e) sums paid or incurred to pay any amount or take any action required of Debtor under this Agreement that Debtor fails to pay or take; (f) costs and expenses of preserving and protecting the Collateral; and (g) costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements) paid or incurred to enforce the security interest created

hereunder, sell or otherwise realize upon the Collateral, and otherwise enforce the provisions of this Agreement, or to defend any claims made or threatened against the Secured Party arising out of the transactions contemplated hereby (including preparations for the consultations concerning any such matters). The foregoing shall not be construed to limit any other provisions of this Agreement regarding costs and expenses to be paid by Debtor. The parties agree that reasonable attorneys' and paralegals' fees and costs incurred in enforcing any judgment are recoverable as a separate item in addition to fees and costs incurred in obtaining the judgment and that the recovery of past judgment reasonable attorneys' and paralegals' fees and costs is intended to survive any judgment, and is not to be deemed merged into any judgment.

13.9 Notices. Except as otherwise provided herein, all notices, demands and requests that Debtor or Secured Party are required or elect to give to the other shall be sent in accordance with Section 11.1 of the Loan Agreement.

13.10 Binding Effect; Assignment. The provisions of this Agreement shall be binding upon and inure to the benefit of the respective representatives, successors and assigns of the parties hereto; provided, however, that no interest herein may be assigned by Debtor without the prior written consent of Secured Party. The rights and benefits of Secured Party hereunder shall, if Secured Party so agrees, inure to any party acquiring any interest in the Obligations or any part thereof.

13.11 Modification. This Agreement is intended by Debtor and Secured Party to be the final, complete, and exclusive expression of the agreement between them respecting the subject matter hereof. This Agreement supersedes any and all prior oral or written agreements relating to the subject matter hereof. No modification, rescission, waiver, release, or amendment of any provision of this Agreement shall be made, except by a written agreement signed by Debtor and a duly authorized officer of Secured Party.

13.12 Counterparts. This Agreement may be executed in any number of counterparts, and by Secured Party and Debtor in separate counterparts, each of which shall be an original, but all of which shall together constitute one and the same agreement.


13.13 Captions. The captions contained in this Agreement are for convenience only, are without substantive meaning and should not be construed to modify, enlarge, or restrict any provision.

(remainder of this page intentionally left blank.)

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

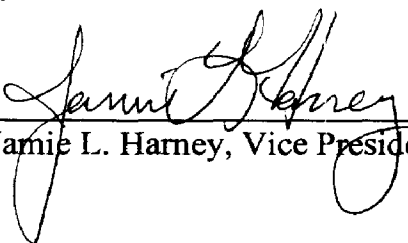
Debtor:

GREEN HILLS SOFTWARE, INC.

By: 
Daniel O'Dowd, President

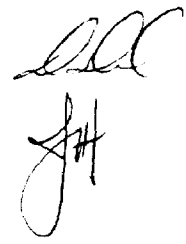
Secured Party:

IMPERIAL BANK,
as Agent

By: 
Jamie L. Harney, Vice President

SCHEDULE A

U.S. PATENTS



Patent Description

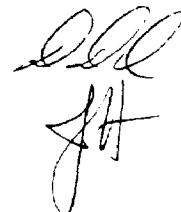
Issue Date

Patent No.

METHOD AND APPARATUS
FOR OPTIMIZING TIME AND
TESTING OF HIGHER LEVEL
LANGUAGE PROGRAM

January 12, 1999

5,859,963



SCHEDULE A
FOREIGN PATENTS

<u>Country</u>	<u>Patent Description</u>	<u>Issue Date</u>	<u>Patent No.</u>
None			

Handwritten signature

SCHEDULE A
PENDING U.S. PATENTS

<u>Patent</u>	<u>Ref. No.</u>	<u>Date of Application</u>
None		

SCHEDULE B

REGISTERED TRADEMARKS

<u>Trademark</u>	<u>Registration Date</u>	<u>Registration No.</u>
GREEN HILLS	March 14, 2000	2,327,510
MULTI	March 29, 1994	1,828,138
C-68000	February 22, 1994	1,822,494
C-68000	August 24, 1993	97,995 (California)
MULTI	August 23, 1993	97,988 (California)

SCHEDULE B

PENDING TRADEMARKS

<u>Trademark</u>	<u>Filing Date</u>	<u>Serial No.</u>
DESIGN (3 TRIANGLES)	March 28, 2000	78-001,452
INTEGRITY	December 22, 1999	75-870,150
CODE BALANCE	May 11, 1999	75-702,600
GREEN HILLS	March 6, 1998	75-446,049